

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 1999-513-C - ORDER NO. 2000-582

JULY 20, 2000

IN RE: Application of BCGI Communications Corp.	)	
for a Certificate of Public Convenience and	)	ORDER <i>VR</i>
Necessity to Operate as a Reseller of	)	GRANTING
Intrastate Interexchange Telecommunications	)	CERTIFICATE
Services.	)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of BCGI Communications Corporation ("BCGI" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold interexchange telecommunications services between and among locations within the State of South Carolina as a non facilities-based interexchange telecommunications service provider. The Company's Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed BCGI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of BCGI's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on June 15, 2000, at 10:30 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Philip Bradley, Chairman, presided. Faye Flowers represented BCGI. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Mr. Jeffrey McLaughlin, Director of Marketing, appeared and testified in support of the Application. Mr. McLaughlin is also the Director of Corporate Marketing for Boston Communications Group, Inc., BCGI's corporate parent. Mr. McLaughlin earned a Bachelor of Science degree from Northeastern University and a Master of Business Administration degree from Seattle University. BCGI is organized under the laws of the State of Delaware and was formed to provide telecommunications services. In addition, BCGI has received authority from the Secretary of State of South Carolina to operate as a foreign corporation in the State of South Carolina.

Upon receiving certification from the Commission, BCGI will offer interexchange telecommunications services to and from all points within the State of South Carolina. More specifically, BCGI initially only plans to offer prepaid calling card services. The Company will resell long distance services for business customers to carriers, not to consumers. Therefore, BCGI will market its services to businesses. The Company does not intend to engage in telemarketing when marketing its services in South Carolina. Further, Mr. McLaughlin testified he is familiar with the Commission's guidelines on marketing and the Company will abide by those guidelines. When BCGI does offer its services in South Carolina, it will select a carrier that is authorized to do business in South Carolina as an underlying carrier.

BCGI will utilize its parent company's customer service centers. The parent company has three centers which are located in Florida, Massachusetts, and Canada. The customer service

department is in operation twenty-four hours a day, seven days a week. Alan Bouffard, the Company's Secretary, is the regulatory contact person for BCGI.

According to the testimony, BCGI is certified to provide its services in approximately forty states. As of the date of the hearing, BCGI had not offered its services in any state. Mr. McLaughlin testified BCGI has never had authority denied in any state where the Company has applied for authority, nor has the Company ever had authority revoked in any state where it has been granted authority. Furthermore, BCGI has never been the subject of an investigation or sanctioned by any regulatory authority for service or billing irregularities.

Mr. McLaughlin also discussed the Company's managerial ability to provide telecommunications services in South Carolina. The testimony reveals BCGI's management is well qualified to execute its business plans, having extensive managerial, financial, and telecommunications experience. E.Y. Snowden is the President of the Company. Prior to joining BCGI, Mr. Snowden was President and Chief Operating Officer of American Personal Communications, L.P. d/b/a Sprint Spectrum. Prior to becoming employed with American Personal Communications, Mr. Snowden was an Area Vice President at Pacific Bell. Fritz von Mering is the Vice President of Finance and Administration. Prior to becoming employed with BCGI, Mr. von Mering was Regional Vice President and General Manager for Metromedia's paging division. Finally, Mr. Alan Bouffard is the Secretary of BCGI.

Regarding the Company's financial ability to offer its services in South Carolina, Mr. McLaughlin's testimony indicates BCGI has access to the financing and capital necessary to conduct its telecommunications operations in South Carolina. Further, BCGI, as a wholly-owned subsidiary of Boston Communications Group, Incorporated, will rely on its corporate parent's substantial financial resources. According to the balance sheet of the parent company,

Boston Communications Group, Incorporated, as of December 31, 1999, its total current assets were \$53,716,000 and its total current liabilities were \$18,836,000. Mr. von Mering and Mr. McLaughlin are BCGI's financial/accounting contact persons.

BCGI's name and customer service telephone number will be listed on the Company's prepaid calling cards. Mr. McLaughlin stated that he is aware that BCGI must post a five thousand dollar bond with the Commission prior to the Company offering its services in South Carolina. Customers will be notified of the number of minutes remaining on the prepaid calling card prior to the transmission of a call and customers will be made aware of the amount of money remaining on the card after the telephone call is terminated. BCGI will not assess surcharges for their prepaid calling cards, instead the Company will charge a flat rate. The expiration date and the packaging of the Company's prepaid calling cards will be determined by individual carriers.

Finally, BCGI, as of the hearing date, had not provided long or local distance services in South Carolina nor had the Company marketed its services in South Carolina. Furthermore, BCGI had not received any revenues from the completion of intrastate calls in South Carolina prior to receiving certification. Mr. McLaughlin's testimony reveals that BCGI will abide by Commission rules, regulations, and orders upon receiving certification from the Commission.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. BCGI is organized as a corporation under the laws of the State of Delaware and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. BCGI operates as a non facilities-based reseller of interexchange services and wishes to provide its services in South Carolina.

3. BCGI has the experience, capability, and financial resources to provide the services as described in its Application.

**CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to BCGI to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for BCGI for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. BCGI shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. BCGI shall file its proposed rate changes,

publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 1999).

4. If it has not already done so by the date of issuance of this Order, BCGI shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. BCGI is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. BCGI shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If BCGI changes underlying carriers, it shall notify the Commission in writing.

8. BCGI shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for

these reports is indicated on Attachment A. Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses.

Attachment A consists of two pages and is entitled "Annual information on South Carolina Operations For Interexchange Companies and AOS'.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. BCGI shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order.

Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

10. With regard to the origination and termination of toll calls within the same LATA, BCGI shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dial parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. As a condition of offering debit card services, the Commission requires the Company to post with the Commission a bond in the form of a Certificate of Deposit worth \$5,000 drawn in the name of the Public Service Commission of South Carolina or a surety bond in the amount of \$5,000 which is payable to the Commission. The Certificate of Deposit shall be

drawn on federal or state chartered banks or savings and loan associations which maintain an office in this state and whose accounts are insured by either the FDIC or the Federal Savings and Loan Insurance Corporation. A surety bond shall be issued by a duly licensed bonding or insurance company authorized to do business in South Carolina. This condition may be reviewed in one year.

12. If the Company sells its debit cards to retail establishments for resale of the debit cards, and the retailer of the debit cards deviates from the suggested retail price as filed in the tariff, or as approved by the Commission in a special promotion, then the Company will withdraw its cards from that retail outlet. This Commission strongly suggests that the Company enter into written agreements with its South Carolina retail outlets regarding this policy of abiding by suggested retail pricing prior to the outlet marketing the card.

13. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.



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14. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'**

**COMPANY NAME** \_\_\_\_\_ **FEIN** \_\_\_\_\_

**ADDRESS** \_\_\_\_\_ **PHONE NUMBER** \_\_\_\_\_

**CITY, STATE, ZIP CODE** \_\_\_\_\_ **FAX NUMBER** \_\_\_\_\_

1. **SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31, 2000 OR FISCAL YEAR. \$** \_\_\_\_\_
2. **SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31, 2000 OR FISCAL YEAR. \$** \_\_\_\_\_
3. **RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS  
ENDING DECEMBER 31, 2000 OR FISCAL YEAR:**

**Gross Plant in located or allocated to South Carolina operations \$** \_\_\_\_\_

**CWIP located in or allocated to South Carolina operations \$** \_\_\_\_\_

**Land located in or allocated to South Carolina operations \$** \_\_\_\_\_

**Accumulated Depreciation of South Carolina Plant (\$** \_\_\_\_\_ **)**

**Net Rate Base located in or allocated to South Carolina operations \$** \_\_\_\_\_

4. **PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING  
DECEMBER 31, 2000 OR FISCAL YEAR:**

**LONG TERM DEBT \$** \_\_\_\_\_

**EQUITY \$** \_\_\_\_\_

5. **PARENT'S AVERAGE RATE OF INTEREST ON LONG TERM DEBT** \_\_\_\_\_ **%.**

6. **CONTACT PERSON FOR ALL FINANCIAL INQUIRES AND REPORTING:**

**NAME** \_\_\_\_\_

**ADDRESS IF DIFFERENT FROM COMPANY** \_\_\_\_\_

**TELEPHONE NUMBER** \_\_\_\_\_

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS**

**FOR INTEREXCHANGE COMPANIES AND AOS'**

7. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE)(USE BACK IF NEEDED).

**NAME OF OFFICER SIGNING FORM (PRINT OR TYPE)** \_\_\_\_\_

**SIGNATURE** \_\_\_\_\_

**TITLE** \_\_\_\_\_

## AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

### PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

\_\_\_\_\_  
Company Name ( Including dba Name(s) or Acronyms used or to be used in South Carolina)

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State, Zip Code

A.

\_\_\_\_\_  
General Manager Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

B.

\_\_\_\_\_  
Customer Relations (Complaints) Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

C.

\_\_\_\_\_  
Engineering Operations Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

D.

\_\_\_\_\_  
Test and Repair Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

E.

\_\_\_\_\_  
Contact for Emergencies During Non-Office Hours (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

F.

\_\_\_\_\_  
Financial Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

G.

\_\_\_\_\_  
Customer Contact Telephone Number for Company (Toll Free)

\_\_\_\_\_  
This form was completed by

\_\_\_\_\_  
Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)  
or Utilities Department at (803-896-5105).**